

SUMMARY

25X1

SOUTHEAST ASIA

3. Withdrawal of Viet Minh division from Laos reportedly begun (page 5).
4. King of Laos refuses to leave royal capital (page 7).
5. French commander will deal ruthlessly with any Cambodian revolt (page 7).

WESTERN EUROPE

25X1

7. Italy seen key to COCOM adoption of transshipment controls (page 8).

LATIN AMERICA

8. Comment on the British Guiana general elections (page 9).

* * * *

25X1A

Next 1 Page(s) In Document Exempt



SOUTHEAST ASIA

3. Withdrawal of Viet Minh division from Laos reportedly begun:

25X1A

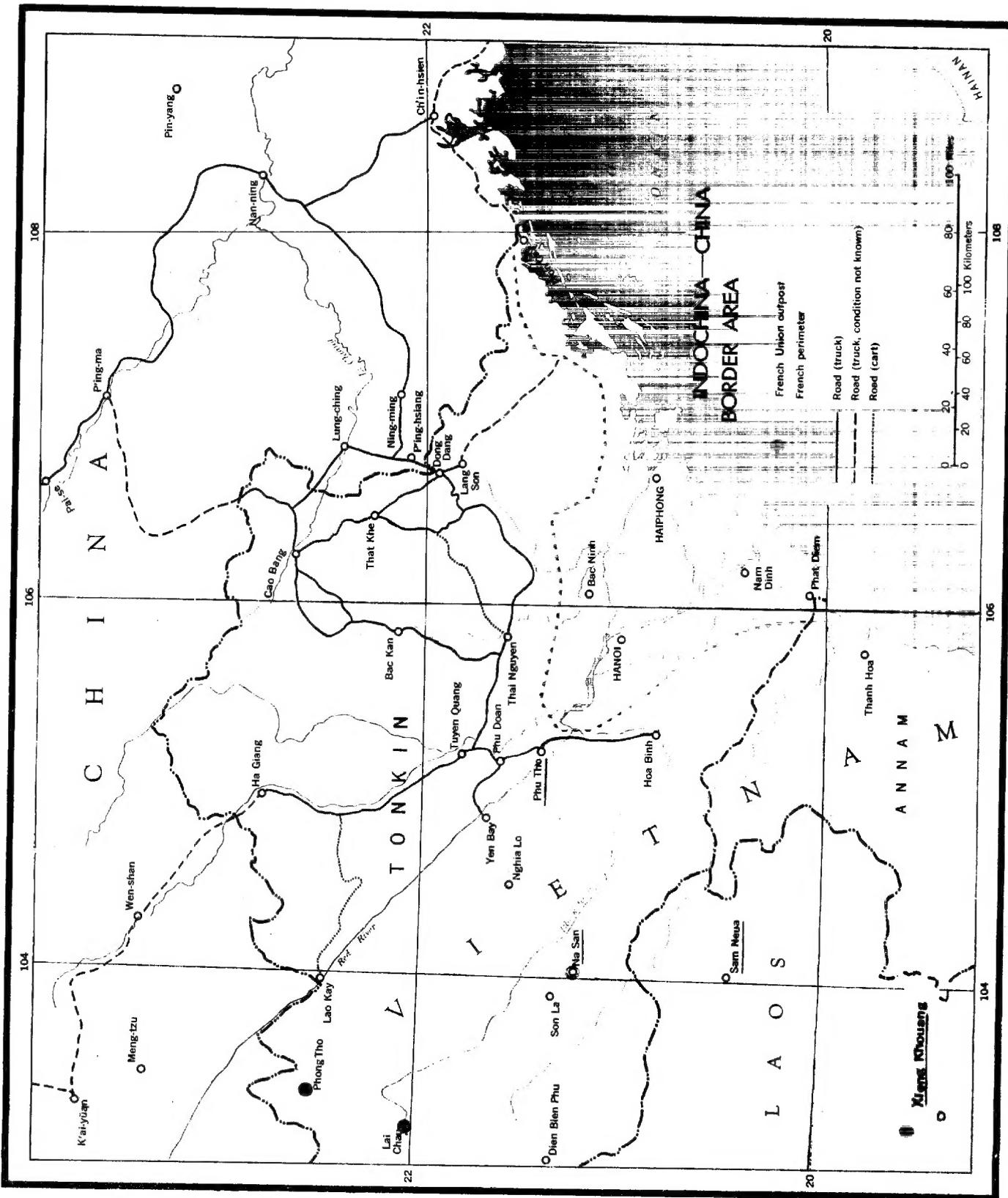
The US Army Attaché in Saigon reports information rated as "probably true" that one entire Viet Minh division has started a withdrawal from Laos toward Phu Tho, near the northwestern corner of the Tonkin delta, about 45 miles from Hanoi (see map, p. 6).

Comment: The same source previously reported that elements of a second division were also withdrawing. These divisions were last reported somewhere between Xieng Khouang and the Sam Neua area. The above information may indicate a forthcoming departure of all units of these divisions from Laos, thus reducing Viet Minh forces there to about two divisions and lessening the probability of a deeper enemy drive into Laos. Redeployment of these divisions could also increase the threat to the Tonkin delta or to the French bastion at Na San.

The Viet Minh has committed in Laos less than half of its regular Tonkin forces, and most of the remainder are believed deployed from Na San eastward to the Tonkin delta area.

- 5 -

25X1A



4. King of Laos refuses to leave royal capital:

25X1A

Crown Prince Savang of Laos informed the American Charge in Vientiane that the king will remain for the time being in Luang Prabang to inspire the defense of the capital.

The crown prince implied that if the situation worsened, he would get the king out and would himself stay in Luang Prabang.

Comment: In response to a French request, British and American diplomats had attempted to persuade the king to leave. French authorities are uncertain that Luang Prabang can be held against a concerted attack and fear that the Viet Minh may capture the king and make him a tool in their Laotian puppet government. They have asked for British and American support in attempts to persuade him to leave the capital.

Crown Prince Savang is the dominant political personality in Laos and his capture would also give the enemy an opportunity for exploitation.

5. French commander will deal ruthlessly with any Cambodian revolt:

25X1A

General de Langlade, French commander in Cambodia, told the American Charge with great emphasis that he would be ruthless in crushing any attempt to overthrow French

military authority. He said the first place he would attack would be the Cambodian Royal Palace.

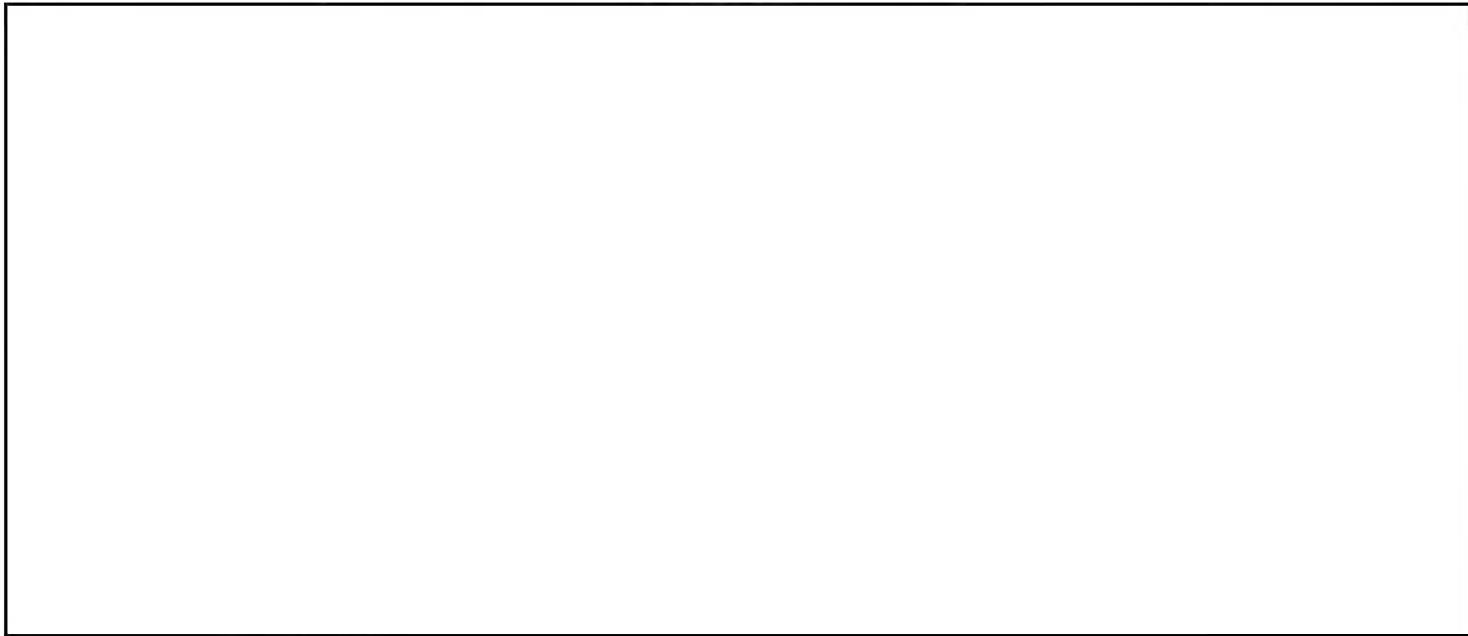
Comment: The French Ambassador to Japan, who recently talked to the King of Cambodia in Tokyo, does not believe he is plotting a revolt. It is evident, however, that anti-French feeling is mounting among the heretofore passive Cambodians.

If the French use such stern measures, serious repercussions can be expected throughout Indochina.

25X1A

25X1

WESTERN EUROPE

7. Italy seen key to COCOM adoption of transshipment controls:

25X1A

The Rome government's lack of authority over the free trade zones in Italy may result in COCOM's failure to adopt transshipment controls, according to the Department of State.

Unless Rome takes steps to prevent diversion to these free zones of goods from COCOM members, countries not now applying controls will be reluctant to accept measures that would benefit Italy at their expense.

Comment: According to the American Embassy in Rome, a new channel for clandestine East-West trade was opened by the Naples court decision of 28 March that goods licensed for export are beyond Italian jurisdiction once they have cleared customs and entered a bonded warehouse.

- 8 -

25X1A



The ease with which doubtful Austrian exporters have been able to obtain valid Italian import certificates has handicapped the efforts of the American Embassy in Vienna to prevent the diversion of Austrian aluminum to the Orbit.

LATIN AMERICA

8. Comment on the British Guiana general elections:

In British Guiana, which produces about 20 percent of the free world's bauxite, the Communist-led People's Progressive Party captured 18 out of 24 lower house seats in the colony's first universal suffrage election on 27 April.

The Progressives, the oldest and best-organized party in the colony, have been split over whether to admit publicly their Communist orientation. The faction favoring public identification includes the party's most colorful leader, Cheddi Jagan, who has visited London Communist headquarters and traveled in Eastern Europe in recent years. The Progressive campaign was designed to feature labor and racial themes.

The power of the Progressives will presumably be substantially checked by the British Governor and his key appointive ministers.